we're a nonequalized school district, we're being penalized because our transportation costs aren't factored in. Can you help me with...I know this is ground we've already covered, but there's a number of people in the Legislature when 1059 was passed, that that discussion we've never heard, and so I'm, I want to back trac: a little and could we visit about that concept a little?

SENATOR BOHLKE: That's true, Senator Kristensen, those schools that remain nonequalized, who have consolidated, may have higher transportation costs and they will make that, that argument and they are not getting reimbursed. They would like to see categorical payment probably going out...

SENATOR KRISTENSEN: Exactly.

SENATOR BOHLKE: ... to them.

SENATOR KRISTENSEN: And the policy reason for not doing that is...?

SENATOR BOHLKE: That because they are a school district that looks like they have more resources than they have needs, that yes, they may have a higher cost. But if we take money out of the equalization we're taking it from schools that are needier to help pay for a program to schools who have higher resources than needs. And it goes against equalization.

SENATOR KRISTENSEN: And the bottom line to this discussion, at least in transportation area, is that the 1059 formula is more geared towards addressing needs of school districts rather than rewarding efficiencies.

SENATOR BOHLKE: There are no efficiency standards either side, for nonequalized, equalized. That's correct. It looks at needs and equity.

SENATOR KRISTENSEN: Exactly.

SENATOR CROSBY: One minute.

SENATOR KRISTENSEN: So when people begin to discuss this that, you know, I've gone and done the things we needed to do. In fact, I've penalized myself for consolidating, that that's one